JANUARY 31, 1966

INTERNATIONAL RICE YEAR

BALANCE OF PAYMENTS AND AGRICULTURAL TRADE

OVER $208 MILLION FOR WORLD FOOD PROGRAM

FEB 1966
Documents
TTC
Library

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

JANUARY 31, 1966

VOLUME IV • NUMBER 5

Contents

3 International Rice Year—a Focus on the World's Basic Cereal

4 The U.S. Balance of Payments—and Agricultural Trade

6 More Than $208 Million Pledged to World Food Program

8 U.S. Feed Grains Group Official Analyzes French Corn Production and Its Effect on U.S. Exports

10 Team Visit Follows Swiss Government's Purchase of U.S. Wheat

10 U.S. Raisin Campaign Seeks Increased Sales to Denmark

11 Farm Economist Urges Emergency Research To Prevent Food Crisis in Developing Countries

11 West German Consumer Food Prices Rising

12 World Crops and Markets (Commodity index on page 15)

16 A Graphic Picture of U.S. Rice in World Trade

A grandmother with two young children takes home bread ration supplied through the World Food Program when an earthquake hit Skopje, Yugoslavia, in 1963. Article on page 6 tells of the 3-year renewal of this program.

Orville L. Freeman, Secretary of Agriculture

Dorothy H. Jacobson, Assistant Secretary for International Affairs

Raymond A. Ioanes, Administrator, Foreign Agricultural Service

Editor: Alice Fray Nelson Associate Editors: Ruth A. Oviatt, Kay O. Patterson, Janet F. Beal

Advisory Board:

W. A. Minor, Chairman; Horace J. Davis, John H. Dean, David L. Hume, Robert O. Link, Kenneth W. Olson, Donald M. Rubel, Quentin M. West.

This magazine is published as a public service, and its content may be reprinted freely. Use of commercial and trade names in the magazine does not imply approval or constitute endorsement by the Department of Agriculture or the Foreign Agricultural Service.

Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C. 20250. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $7.00, domestic, $9.25 foreign; single copies are 20 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D. C. 20401.

INTERNATIONAL RICE YEAR

—a focus on the world's basic cereal

The Food and Agriculture Organization of the United Nations has designated 1966 as International Rice Year (IRY) in an effort to promote improved production, processing, and trade in this daily staple food of half the world's population. Spotlight will be on the role of rice in the Worldwide Freedom From Hunger Campaign.

In announcing FAO plans for a 12-month focus on rice, Dr. B. R. Sen, the Organization's Director-General, pointed out that rice is cultivated by millions of Asian farmers for their very livelihood and is steadily rising in importance in Africa, the Middle East, and Latin America. The 1964 world rice crop was worth about $20 billion and earned about $900 million in foreign exchange.

Dr. Sen emphasized one salient problem in the world rice situation: the need to keep production rising with population and consumption. At an average rate of 2.5 percent annually, the increase in world output just barely meets the requirements of a growing population. Expanding acreage alone will not solve the problem, since potential rice land is at a premium. The future world supply will depend upon raising yields, improving growing practices, and avoiding quantity and nutritional losses in harvesting, storage, and processing.

IRY, therefore, will mark what Dr. Sen hopes will be "the beginning of patient efforts by many people, extending over a long period of time, and having a lasting impact on the fundamental rice problem."

FAO's lead in declaring International Rice Year is in line with its basic task of improving the efficiency of food production and distribution the world over. For 2 years prior to the 1963-64 season, rice production saw no significant expansion, while the 1963-64 crop just met world needs. Output in 1964-65 (excluding Mainland China) is provisionally estimated at about 166 million tons, an increase of only 2-3 percent.

The total supply of rice available for export in 1965 was probably about the same as in 1964, while demand in most Asian importing countries has been sustained—in India and the Philippines by rising consumption and in Japan and Malaysia by bad crops. Japan is now the world's largest commercial importer of rice, purchasing 879,000 metric tons in 1965.

Although the IRY idea was born within FAO, actual projects will be planned and executed by governments and industries in interested countries according to their individual needs. Coordination of national activities—research, education, seminars, technical assistance, and exhibitions—will be handled by each country's Freedom From Hunger Campaign Committee. For projects involving more than one nation, FAO will step in to ease the exchange of scientists, technicians, students, and information. The FAO role will be carried out within the framework of its existing budget and agenda for 1966, giving as much priority as possible to rice projects already underway.

While short-term projects will be useful in carrying out IRY objectives and activities, emphasis will be on those with continuing long-term effects. The joint FAO and Freedom From Hunger Campaign Swamp Rice Improvement project in Liberia, for example, has shown the importance of intensifying practical, village-level work with information and demonstrations brought to the local grower, miller, and trader.

The key to a successful year depends on taking a "balanced" approach to the problem, emphasizing the role of rice in the general production and nutritional program of each nation. Plans already reported to FAO by participating nations tend to revolve around a single theme: linking the ideas and discoveries of the research scientist with the labor of the paddy farmer. In many areas, this may involve a great economic transformation, such as a switchover from subsistence to commercial production.

Secretary of Agriculture Orville L. Freeman has pledged full U.S. support of International Rice Year. According to Mr. Freeman, "The U.S. Department of Agriculture, in cooperation with the U.S. rice industry, is planning a wide range of activities during the year. The Department has released to seed producers a new rice variety with superior lodging resistance. A new rice film, The Story of American Rice was produced jointly with the U.S. rice industry and will be available for showing in several countries. In addition, during 1966, support of International Rice Year will be highlighted in rice displays at international food exhibitions, by the release of new publications on rice cultivation, and participation of Department personnel in international rice meetings and symposia."

The U.S. Balance of Payments — and Agricultural Trade

Again in 1965, U.S. farm exports—bringing in an estimated $6.2 billion—provided a helpful "plus" for the balance of payments.

By McGEHEE H. SPEARS
Foreign Development and Trade Division
Economic Research Service

In the Nation's balance of payments, net earnings on merchandise trade account for a large share of current receipts. Net exports of U.S. agricultural products are a valuable part of these receipts.

In years like 1965, when imports moved gradually upward but the total export picture was clouded by two strikes affecting international transportation, the steady earnings from agricultural trade take on an unusual importance. For the first 9 months of the year, the agricultural trade balance represented 44 percent of total net earnings from all merchandise trade. By comparison, net earnings from agricultural trade in the same period of 1964 represented only 32 percent of total net trade earnings.

How farm trade balanced in 1965

Net earnings on agricultural trade were down in the first quarter of the year, but in each of the next two quarters they were well above the $504-million average for the first three quarters of 1964. Nonagricultural net trade earnings, on the other hand, dropped significantly for each of these quarters in 1965, well below the average of about $1.1 billion for the same period in 1964. Net earnings on nonagricultural trade usually run at more than twice the level of those on agricultural trade. However, in the third quarter of 1965, nonagricultural trade earnings dropped below agricultural, to less than $300 million.

Agricultural trade thus more than held its own in this difficult year; and the expectation is that when all fourth-quarter figures are in, the farm trade balance for 1965 will be $2.2 billion—only slightly below that of 1964.

Total trade balance down

The total merchandise trade balance for the third quarter of 1965 was off 45 percent from the second quarter's high of $1.5 billion. In the latter part of 1964 and early 1965, the longshoremen's strike on the Atlantic and Gulf coasts resulted in major shifts of exports from the first to the second quarter. A crew strike against 8 major shipping lines in the first half of the year affected some shipping.

Nonetheless, for the first 9 months, exports added up to nearly $19 billion—3 percent above those for the comparable months of 1964. Yet at the same time, imports rose 15 percent above those of the 1964 period, so that the total trade balance at the end of September 1965 was only $3.4 billion—of which agriculture's share was $1.5 billion—compared with the 9-month 1964 balance of $4.8 billion with a nearly identical net contribution from agriculture.

Overall payments balance improved

A look at the overall 1965 balance of payments reveals that as far as the first 9 months are concerned, there was a total deficit of only $955 million, compared with $1.4 billion for the same period of 1964. Furthermore, in 1964 a sharp deterioration for the fourth quarter (another $1.4 billion) pushed the deficit for the entire calendar year to $2.8 billion. By contrast, a preliminary estimate indicates that the entire 1965 deficit will be $1.3 billion or less.

Part of the 9-month deficit was financed by an increase in liquid liabilities to foreigners, amounting to $5 million and bringing these liabilities to a total of $29 billion by the end of September 1965. Of this, liabilities to foreign official agencies—the only entities that can exchange their dollars for gold—totaled $15.5 billion; liabilities to other foreign accounts, $13.5 billion.

The remainder of the deficit was financed through changes in U.S. monetary reserve assets, which declined by $40 million in the third quarter of 1965, following a reduction of $910 million in the first half of the year.

The gold stock declined by $1.4 billion in the first and second quarters of the year and by $124 million in the third. The nation's gold reserves totaled $13.9 billion at the end of September 1965 after a slight increase in that month; in October there was a further slight increase.

"Technical" drawings from the IMF

Holdings of convertible currencies rose by $413 million in the third quarter, primarily because of a currency drawing against the U.S. "gold tranche position with the International Monetary Fund." (Twenty five percent of a member country's Fund quota is subscribed in gold; a member may borrow other currencies up to the equivalent of this, almost automatically.)

Most U.S. Fund drawings are called "technical." They are explicitly for the purpose of obtaining other convertible currencies for subsequent use by countries making repayments to the Fund. Under the Fund Agreement, member countries are prohibited from making repayments in a specific currency if the Fund's holdings of that currency exceed 75 percent of the country's quota. Since mid-1963, the Fund's holdings of dollars have been at the limit, and dollar repayments are precluded.

The U.S. technical drawings are intended, in effect, to facilitate repayments to the Fund by countries whose reserves are held chiefly in U.S. dollars and which have repurchase commitments due and payable to the Fund. In this event, such countries may use their dollars to purchase from the United States convertible currencies drawn, which can then be used for payment to the Fund.

"Nontechnical" Fund drawings

A "nontechnical" U.S. drawing made in July 1965 was for the purpose of partly financing the payments imbalance of previous years that resulted in large accumulations of dollar balances abroad. Part of these dollar reserve hold-

ings by foreign official agencies have been and continue to be temporarily absorbed through Federal Reserve short-term swaps (short-term borrowing of foreign currencies by the United States). Convertible currencies equivalent to $300 million drawn from the Fund in July are available to pay off these prior short-term credits and continue the absorption of excessive dollar balances abroad.

Outflow of private capital checked

From the end of 1964 through September 1965, the net outflow of private capital from the United States has risen on an average of $824 million per quarter, compared with an average quarterly rise of $1.3 billion for the same period of 1964. For the third quarter of 1965, the outflow totaled less than $400 million—smallest since the third quarter of 1963.

In an effort to cooperate with the President's program to improve the balance of payments, business corporations have reduced their former high rates of direct investment abroad, particularly in Western Europe. The rate of net investments in foreign securities rose slightly in the third quarter, by $194 million, but was $19 million less than the recorded outflow for the first quarter.

The cooperation of banks in the program—following the guidelines issued by the Federal Reserve Board—resulted in a rather sharp reduction in the rate of long-term and short-term banking claims. Outstanding claims on foreigners by banks dropped by $382 million in the second quarter and by $216 million in the third quarter.

Program for improving payments balance

With cooperation from banks and business enterprises, the U.S. balance on international transactions has been improved, by comparison with those of recent years.

However, the President found it desirable to extend the program for improving the payments balance—undertaken early in 1964—into 1966, with certain modifications announced on December 6, 1965. The main provisions of the program are as follows:

- An increase in present efforts to encourage both foreign and domestic tourism in the United States;
- Continued efforts both by government and by private enterprise to expand export trade;
- Continuation through 1966 of the U.S. Commerce Department's target limiting direct investment by U.S. business firms overseas to 90 percent of the amount invested during the 3 years 1962-64. Each company is requested to apply the formula to a slightly wider group of countries than before; and the present voluntary program to reduce the outflow of business capital continues as instituted in 1965.
- A rise of 1 percent per quarter in the present ceiling of 5 percent per year on increased bank lending to foreigners, until the end of 1966; the ceiling for nonbank financial institutions, on credits with maturities of 10 years or less, will be similarly raised.
- Intensified efforts by all government agencies to minimize the balance-of-payments impact of their operations.

The Secretary of the Treasury, announcing these program changes, stated that the United States would reach its balance-of-payments equilibrium goal in 1966. The equilibrium is defined as an overall balance with a surplus or deficit not exceeding $250 million.

U.S. BALANCE OF PAYMENTS, 1964 AND JANUARY-SEPTEMBER 1965[1]

Transaction	Calendar 1964	Jan.-Sept. 1965
	Mil. dol.	*Mil. dol.*
Balance on goods and services	8,560	4,865
Grants	-2,723	-2,089
U.S. capital, net outflow (−)	-8,141	-3,626
Foreign capital, net inflow (+)	667	-9
Errors and omissions, net	-1,161	-96
Overall balance: Deficit (−)	-2,798	-955

[1]Excludes goods and services transferred under military grants, net.

U.S. Department of Commerce, *Survey of Current Business*, December 1965.

U.S. MERCHANDISE TRADE, 1964 AND 1965

Period	Total			Agricultural		
	Exports	Imports	Net	Exports	Imports	Net
1964:	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*
Jan.-Mar.	6,155	4,348	1,807	1,590	1,008	582
Apr.-June	6,304	4,590	1,714	1,511	1,004	507
July-Sept.	5,932	4,651	1,281	1,394	970	424
Total, Jan.-Sept.	18,391	13,589	4,802	4,495	2,982	1,513
Oct.-Dec.	6,897	5,030	1,867	1,853	1,100	753
Total 1964	25,288	18,619	6,669	6,348	4,082	2,266
1965:						
Jan.-Mar.	5,617	4,604	1,013	1,232	864	368
Apr.-June	7,035	5,487	1,548	1,618	1,052	566
July-Sept.	6,336	5,487	849	1,492	933	559
Total, Jan.-Sept.	18,988	15,578	3,410	4,342	2,849	1,493

U.S. Department of Commerce, *Survey of Current Business*, December 1965, and Trade Statistics and Analysis Branch, Foreign Development and Trade Division, ERS, USDA.

When parts of East Pakistan were hit by a cyclone in 1963, food was supplied by the World Food Program. Here villagers are waiting for it to be distributed.

More Than $208 Million Pledged to World Food Program

The World Food Program, which started in 1963 and was renewed last fall at the Food and Agriculture Organization Conference in Rome, has received much of the food and financial support needed to carry it on for another 3 years.

Meeting in New York on January 18, some 44 member nations of the United Nations and FAO pledged nearly $208.2 million toward the Program's goal of $275 million. Several countries indicated willingness to pledge later on, others to raise their contributions if necessary.

Of the total pledged, $139,590,000 is in commodities, $33,590,000 in services, and $31,373,300 in cash, with $550,000 undefined.

U.S. leading donor

Largest contributor is the United States. Secretary of Agriculture Orville L. Freeman announced at the meeting that U.S. support would total $130 million. Commodities will account for $92 million, provided that the U.S. contribution does not exceed 50 percent of the total contributions from other countries. Secretary Freeman also stated that the United States is prepared to furnish shipping services to the value of $32 million to transport U.S. commodities, and that $6 million in cash will be supplied for the Program's administrative and operational costs on the condition that the U.S. contribution does not exceed 40 percent of the total from other countries.

Second largest contribution came from Canada—$27.5 million, a fourfold increase over its previous pledge. Three-quarters of this will be in commodities. West Germany ranked third with $7.5 million, half in commodities; Denmark fourth with $7 million, two-thirds in commodities; and the United Kingdom fifth with $7 million, half commodities, half cash.

Eight other countries also pledged over $1 million. These were Sweden, Netherlands, Norway, Italy, Japan, Australia, Austria, and Ireland.

54 countries helped

The World Food Program was originally established to help advance the work of the United Nations Development Decade—the decade of the 1960's—and FAO's Freedom from Hunger Campaign. This joint effort seeks as its major aim to stimulate economic and social development through aid in the form of food. For example, food may be used as a partial substitute for cash wages paid to workers engaged in development projects, or food may be provided to families resettled for development purposes until they harvest their first crops on their new land. The program also helps to meet emergency food needs.

To date food has been approved for use in 116 economic and social development projects, most of which are in actual operation. Emergency aid has been provided on 29 occasions involving 25 countries. In all, aid has been approved for projects in 54 countries and territories.

Types of projects

Resettlement: In the Sudan, 50,000 men, women, and children had to be moved from the Nubian town of Wadi Halfa and 13 outlying villages along the Nile before water backed up behind the Aswan High Dam and flooded their homes. They were resettled 800 miles away; and to help the government supply a balanced diet until new crops could be harvested, the WFP provided wheat, dried milk,

Above, in 1963 the Yugoslav city of Skopje was reduced to ruins by an earthquake, and the WFP sent in $1.2 million of protein-rich foods for workers who were rebuilding the city.

Below, villagers leave the Sudan town of Wadi Halfa, soon to be flooded by the Aswan High Dam reservoir. Until they become self-supporting in their new lands, $1 million worth of food is being provided them.

and dried and canned fruit, under a $1-million allocation.

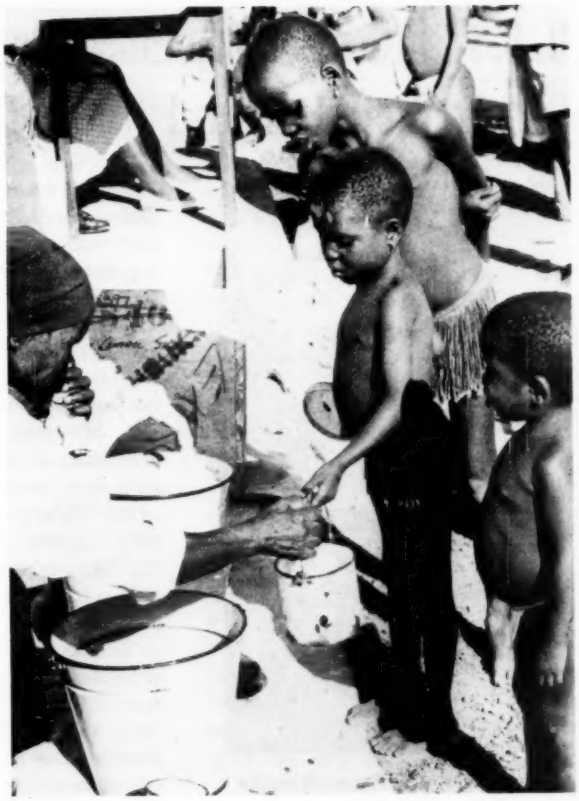
Road construction: On Cheju Island, off the Republic of Korea, a road was needed to link up 95 villages, to bring over 100,000 acres under cultivation, and to permit the planting of 80,000 acres of forest. WFP is assisting the government by supplying food to supplement the normal diet of some 7,000 volunteers and their families who are doing the work.

Crop improvement: In Burundi, in Africa, where efforts are being made to improve the quantity and quality of major crops, such as corn, peas, beans, wheat, and millet, an incentive plan is in operation. A research institute provides farmers with improved seeds; then for every kilogram of seed they deliver to the institute after the harvest, they receive compensation in the form of corn flour provided by WFP.

Industrial development: An iron and steel works in Turkey is seeking to increase the productivity of its labor force and, as part of the effort, to improve the nutrition of workers. Through WFP aid the management has been able to supplement its normal feeding program. Also, in Turkey's Zonguldak Coal Basin this food aid permitted raising the daily calorie level of workers from 3,000 to 4,000 calories.

Educational projects: In Morocco, where 800,000 male adults are learning to read and write in a literacy campaign, the WFP is supplying food to supplement the diet of 17,000 volunteer workers. And in Bolivia, where the government wishes to improve rural education standards, WFP supplies provide hot meals for teacher trainees.

Emergency aid: In Bechuanaland, when a prolonged drought meant hunger for people and cattle, the government asked for aid to meet subsistence needs, with the result that food and feed sufficient for some 105,000 persons and for 60,000 cattle are being supplied. In Chile, after floods and avalanches caused severe damage in some provinces last year, WFP authorized sending food for 100,000 persons for 5 months.



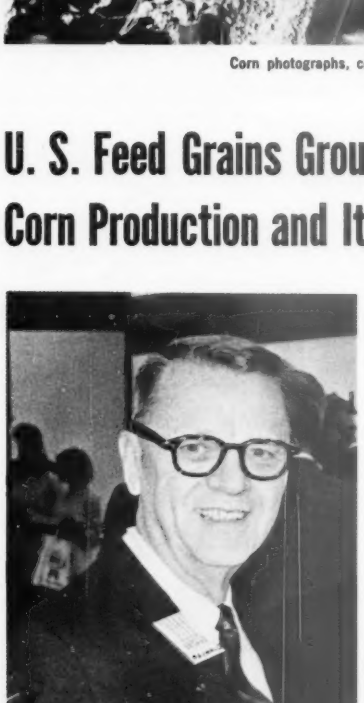
Last year emergency aid worth $3.5 million went to drought-ridden Bechuanaland. Above, older sister and her brother keep an anxious eye on the vegetable oil being distributed.

French workmen, right, work to finish big elevator to store and dry corn in the Landes Department where, it is reported, corn production "could be increased sensationally" with application of sufficient capital and technology.

In the Languedoc region, left, stretching from southern France to the Rhone Valley, the 15-million-bushel corn output could be doubled or redoubled, mostly by planting corn on land now in sugarbeets.

Corn photographs, courtesy of French Embassy Press & Information Division

U. S. Feed Grains Group Official Analyzes French Corn Production and Its Effect on U. S. Exports



Mr. Maywald, who has represented the USFGC in Rotterdam since 1964, was formerly president of the Council and has been active in the U.S. grain trade for many years.

French corn production is growing and capable of much more spectacular growth if properly stimulated, according to Fred Maywald, export representative for the U.S. Feed Grains Council at Rotterdam.

"Corn production isn't likely to exceed 5 million metric tons in the next several years, however," reported Mr. Maywald, following a recent 3,000-mile survey trip through the principal corn areas of France.

In 1965, production reached 3.4 million metric tons, after 2.1 million the previous year because of unfavorable weather and a 3.9-million total in 1963.

"French corn producers could up production in some areas anywhere from 25 percent to 50 percent," says Mr. Maywald, "especially if the French Government, or EEC pricing, offered incentives which would induce them to increase corn production even at the expense of wheat and barley."

Among factors which under present circumstances are more likely to lead to bigger production is a projected increase in corn acreage, which by 1970 is supposed to equal about 2.7 million acres, as compared with a current figure of 2.2 million acres. Much of the increase will be land now used for sugarbeets. Other factors would be higher yield per acre as growers make better use of available technology. At present, Mr. Maywald reports "an amazing disparity in the effective use of technology."

"Technology in the region of Paris, France," he commented, "is comparable to that found near Paris, Illinois." In other regions, such techniques as basket harvesting are far behind methods currently in use in the United States.

French farming profitable

However, French farming is obviously profitable, according to Mr. Maywald. Farmers are accumulating capital and know-how, with a lavish investment in equipment. Land prices have increased during the past 2 years from 10 percent to 50 percent with an average increase of more than 25 percent.

If acreage is increased by 1970 to 2.7 million acres, and the average yield is slightly less than 70 bushels an acre, as anticipated, French output would total about 190 million bushels, according to Mr. Maywald.

It is estimated that about 80 mil-

lion bushels would be fed on the farm and about 110 million bushels would be collected by ONIC (Office National Interprofessionel des Céréales), a French organization with functions somewhat similar to those of the Commodity Credit Corporation in the United States. Of this amount, the French believe about 40 million bushels could be exported.

(In calendar 1964, France exported 32.2 million bushels—817,596 metric tons—most of which went to West Germany and Spain.)

Mr. Maywald reported briefly on each of the four corn areas visited:

In the southwest, traditionally the French corn belt, there will be some increase in land planted to corn, but not much. Appreciably increased production will depend on better yields, with a 25-percent to 50-percent increase predicted amounting to 15-30 million bushels.

Farming in this region reminds one of corn farming in the hills of Kentucky—lush, mechanized production in the fertile valleys contrasting with handcraft patch farming in the rolling and hilly parts.

Farther south, toward the Spanish border, is pine-covered country which resembles western Georgia pine country as it looked some 20 years ago. Here, corn production could be increased sensationally, with sufficient capital and technology.

This part of France was planted to pines about 100 years ago on orders from Napoleon III. Building up the fertility of this sandy soil is a long and expensive process. Because much of this area is low and marshy, drainage is a problem with open drainage ditches needing cleaning every year. A layer of hardpan about 3 feet below the surface has to be broken by deep plowing before the land can grow corn. However, in this Landes region one French farmer averages 170 bushels to the acre from a 180-acre field of corn. Another farmer, with sufficient capital to stay with the project, has a gross income this year in excess of $60,000 made on raising corn.

Near Blois, a typical farm had 100 of its 400 acres in corn this year, with a yield of about 110 bushels to the acre. This was almost twice the 1964 yield when it was extremely dry, and almost four times the 1959 yield. Moisture content of the current crop is around 35 percent. By March or April this corn, after being stored in the long narrow cribs so typical of France, will have dried down to 15 percent. Land in this neighborhood sold recently at $1,000 an acre.

Corn production ***in the Rhone Valley and nearby areas*** may double, or quadruple, its present 15-million bushel total. Partly, the increase will come from better technology, but mostly from acreage taken out of sugarbeets and other crops, when farmers discover that corn is much more profitable.

The plains ***in the vicinity of Paris*** —the corn belt of the future—could produce considerably more corn.

This is especially true of the Beauce area, just south of Paris. Here, the flat, fertile land stretches for miles without a building, fence, or farm animal to be seen, and rarely a human being. Conceivably this area could be planted from border to border with continuous corn. However, French farmers are wedded to a rigid rotation system and it will be some years before they turn to continuous corn. Nor do they accept the single-cross seed used in the United States.

Barley and wheat favored

French farmers will be slow to move out of barley and wheat production in favor of corn, because barley and wheat are less affected by changes in the weather. Also, brewing barley is a profitable crop in the area and—as does wheat—fits the French farmer's devotion to rotation. However, as acreage moves into corn and farmers make better use of technology, corn production will increase substantially.

Perhaps half of the corn produced in this area is field shelled. The balance is stored in cribs about 3 feet wide, 9 feet high, varying in length from 50 feet to 500 feet. These cribs are constructed by placing poles about 10 feet apart and enclosing the space with chicken wire. Some have baled straw or hay for a roof, others solid roofs. Where several cribs run at angles to one another, they take on the appearance of a giant ticktacktoe.

Because so much of the corn is field shelled when the moisture ranges well above 30 percent, harvest presents many of the same problems plaguing U.S. farmers and the grain trade. Even though the corn in this area is a flint hybrid and much tougher than our soft starch corn, it nonetheless breaks up rather badly and is subject to all the ills that beset high-moisture corn that must be artificially dried.

After French corn is dried, it is carefully cleaned of all extraneous material, fine brokens, and most of the large brokens. This is a costly process and uneconomic for corn utilized by compounders.

(Continued on page 15)

Team Visit Follows Swiss Government's Purchase of U.S. Wheat

Shown earlier in Washington, D.C., with David L. Hume (center), FAS Assistant Administrator for Export Programs, are Swiss wheat trade mission members now touring the U.S. wheat area: (l-r) Albert Eberhard, agriculturist, U.S. Embassy, Bern; Emile Meyerhans, partner, Meyerhans Flour Mills, Inc.; Walter Oberhansli, Swiss Federal Cereal Administration; Heinrich Sollberger, SFCA mill expert; and Andre Bachmann, managing director, Moulins Rod S.A.

The current U.S. tour of a Swiss Wheat Trade Mission follows closely on the heels of the Swiss Government's purchase of 20,000 metric tons of U.S. wheat for its revolving stocks—the first U.S. wheat to go into Switzerland's strategic reserves.

Under the joint sponsorship of Great Plains Wheat, Inc., and FAS, the trip is designed to acquaint the team with the qualities of different types of U.S. wheat and the types most suitable for Switzerland's wheat needs. The itinerary covers major wheat producing, processing, and exporting areas and takes the team from New York and Washington west to North Dakota, south to Oklahoma and Texas, and back to Washington for final conferences.

Grain is one of Switzerland's most important imports, with purchases of 300,000 to 400,000 metric tons of wheat annually. In 1964-65, imports totaled 371,300 metric tons. The U.S. share was 16,300 tons or less than 5 percent as against 17 percent a year earlier.

Canada generally supplies about 50 percent of Swiss wheat imports, but its share dropped to 37 percent last year. Becoming increasingly important are purchases from France, which in 1964-65 accounted for 45 percent of total wheat imports, compared with a 1959-60/1961-62 average of 13 percent. Argentina's share of the market generally averages about 10 percent.

U.S. wheat is considered to be competitively priced with Canadian and Argentine wheat if bought on a usual grade and protein basis. Because of higher transportation costs from the United States and the French export subsidy, it is not competitive in price with wheat from France, but French wheat does not meet Switzerland's quality requirements for its revolving stocks of strategic reserve.

U.S. Raisin Campaign Seeks Increased Sales to Denmark

Arthur M. Rollefson (left), U.S. Agricultural Attaché, discusses quality California raisins with Sv. Aa. Hansen—representing one of Denmark's largest bakeries—at the recent Bakers' Exhibition in Copenhagen.

Denmark, which purchases over 70 percent of its imported raisins from the United States, is the site of one of the California Raisin Bureau's biggest promotional campaigns, including consumer, trade, and point-of-sale advertising.

In 1964-65, Denmark imported 3,438 short tons of U.S. raisins, compared with 3,230 tons in 1963-64 and 2,509 in 1962-63. The United States is by far Denmark's largest supplier of raisins, followed by Greece, Iran, and Australia.

The entire U.S. raisin pack is produced in California. Production of 272,000 tons in 1964-65 brought raisins for export to their highest level since 1952.

Economist Urges Emergency Research Teams To Prevent Food Crises in Developing Countries

Countries threatened by food crises need emergency research teams from the United States for at least the next 10 years.

This recommendation came from F. F. Hill, vice president in charge of the international programs of the Ford Foundation, addressing the annual meeting of the American Farm Economics Association in New York. Mr. Hill was formerly head of the agricultural economics department and provost of Cornell University.

The aim of the agricultural technology teams, Mr. Hill said, must be to help double food output; increases of 20 to 25 percent are not good enough.

He also called for an end to "dawdling" in importing and producing fertilizers in the less-developed countries, and a change in the attitude of officials in these countries toward farmers.

"The attitudes and unsubstantiated opinions of elite groups, including government policymakers and administrators, rather than the attitudes, beliefs, and customs of farmers, constitute the principal human roadblock to agricultural development in most developing countries," he said.

"Few of the elite have any real understanding of the problems, risks, and uncertainties that confront individual cultivators in shifting from traditional to science-based agriculture."

Illiteracy discounted

For example, he said, illiteracy is not the barrier to improved food output that it is sometimes thought to be. Citing Japan, where rice yields increased 25 percent between 1880 and 1900, he said, "I have not seen or read anything that leads me to believe that in the early stages of development it is impossible to achieve substantial increases in agricultural output until such time as the majority of farmers have a grade-school education." That is not to say, he noted, that rising levels of education are not needed as increasingly complicated farm technology is introduced.

Commenting on his proposal for emergency research teams, Mr. Hill said it reflects his belief that other food measures, while necessary, are too limited or slow. These include the development of agricultural colleges and universities in the less-developed countries, and the process of motivating low-producing farmers to emulate the improved techniques of model farmers.

"Rather," he said, "a special and vigorous effort should be made to greatly speed up the development, testing, and diffusion of substantially improved production technology for food crops." As examples of transfers of improved production technology, he cited improved rice varieties being developed at the International Rice Research Institute in the Philippines and the introduction of Mexican wheat strains in India and Pakistan.

U.S. research teams

Competent, well-financed research teams should be provided to developing countries with severe food problems under assistance programs involving American universities and the United States Department of Agriculture, Mr. Hill suggested. The aim of the teams would be to introduce improved varieties and techniques for the production of such basic food crops as wheat, maize, rice, sorghums.

"Most of the modern agricultural technology that is now available was developed in and for use in the temperate zones," he continued, "the task remains in many cases to develop improved varieties that will perform well in specific situations in the tropics and to devise effective control measures for insect pests and plant diseases, some of which have not yet been classified and studied."

The emergency teams should supplement, not replace, existing teams concerned with the long-term development of agricultural institutions in the less-developed countries, he said. The difficulty is that these institutions are not being developed fast enough to prevent the possibility of acute food shortages in a number of countries with rapidly increasing populations.

Fertilizer plants needed

On the matter of fertilizer, Mr. Hill called for an increase, to 3:1 from the present 2:1, in the net return per dollar cost. Despite the long time required to build fertilizer plants and establish an effective distribution system, Mr. Hill said, "a number of countries with pressing food problems have dawdled all too long in getting underway with effective fertilizer programs."

West German Consumer Food Prices Rising

In recent weeks German newspapers have commented on "a wave of consumer price increases that is rolling across West Germany." In fact, most retail food prices apparently have not been so high since the black market days immediately after World War II.

The "wave" has been rolling for some months, raising prices of such essential foods as bread, beef, pork, and eggs to new highs almost every month. Eggs and pork have shown a particularly strong increase during the past few months. Price rises have been more moderate for butter, fats, oils, and fruits. Prices of poultry, sugar, and orange juice have remained at about the same during the past few years. Vegetables and chocolate are actually lower priced. The consumer price of milk was last raised in 1963.

The representative food cost index for a four-person family started an upswing in early 1965, reached a record high in July, and fell slightly during August-October partly because of seasonal factors. Since EEC agricultural marketing orders came into effect in 1962, food and stimulant prices have increased by 9.2 percent. Meat and egg retail prices especially rose sharply—by 22.2 and 26.7 percent.

WEST GERMAN
COST-OF-LIVING INDEX[1]
[1962 = 100]

Year	Total cost	Foods and stimul.
1962	100.0	100.0
1963	103.0	102.9
1964	105.4	105.0
1965:		
January	107.0	106.4
July	110.1	111.8
October	109.7	109.2

[1]For 4-person family of employees in the medium income bracket.

The primary reasons for the increases in prices of the livestock products were first, the international beef shortage and second, the cyclical low in pork and egg production.

—PAUL G. MINNEMAN
U.S. Agricultural Attaché, Bonn

Weather Has Reduced Europe's 1965-66 Winter Wheat Acreage

Planting of winter wheat for harvest in 1966 has been reduced in a number of West European countries by an early winter and continued snow and rain. Larger acreages will probably be planted to spring wheat, but these cannot be expected to make up the decrease in winter wheat, by far the larger of the two crops.

The major part of the wheat acreages had been sown prior to the early freeze. Conditions up to mid-November were generally favorable for planting winter grains, and farmers had expected to complete sowing of acreages comparable to the preceding year's record. The plentiful moisture of recent weeks has been generally favorable for crop development on the planted areas.

The December 1 estimate of the winter wheat acreage of France was 8,499,000 acres, down 1,428,000 from the 9,927,000 acres on the comparable date in 1964. Early conditions were favorable for wheat, and germination was good. Continued snow and heavy rains have built up a moisture reserve, and planted crops on December 1 were reported in good to fairly good condition.

Similar conditions are reported for West Germany. Weather was favorable for planting at the outset, but beginning in mid-November snow and heavy rain continued to prevent sowing of all the intended acreages. Subsoil moisture reserves are ample, and wheat that was planted was, for the most part, in good condition.

In late October, indications pointed to full acreages in the United Kingdom. Weather was excellent for field work and planting was active. However, in mid-November snow and freezing temperatures halted seeding. As the season progressed it became evident all the intended acreages would not be sown. Here also soil condition ensured good germination.

In Sweden, a brief and cool fall resulted in a decrease in winter seedings 23 percent below the 576,000 acres planted on the corresponding date a year earlier. The winter wheat acreage in Belgium is also reported to be down 20 to 25 percent, less than even the comparatively low level of the year before.

Denmark's 1965-66 acreage in winter wheat has been estimated at 183,000 acres, 60,000 acres below the 1964-65 acreage. The decrease is due partly to a drop in guaranteed prices to producers and also to unfavorable weather for sowing.

Winter wheat acreage of Italy in early November was expected to increase from 5 to 8 percent. Except for some occasional snow and rain in northern areas in mid-November, conditions have continued generally satisfactory for winter grains.

—L. THELMA WILLAHAN
Grain and Feed Division, FAS

Milk Consumption Increase in the United Kingdom Is Slowing

Although the United Kingdom's fluid milk position is relatively satisfactory compared with that of the rest of the world, there was some leveling off of fluid milk sales during the last half of 1965. Faced with the threat of a further falling off in sales, the Milk Marketing Board is looking for ways of expanding the manufacture of milk products. This is being considered as a means of handling a sizable part of the increased volume of milk that is expected to be produced if the National Economic Plan is carried through to increase beef production by expanding the country's dairy herds.

Fluid milk consumption has increased annually for the past 8 years in the United Kingdom. This is in contrast with the general world pattern of declining sales. Consumption per capita had risen to 329 pounds a year by 1964 from the 1938 level of 218 pounds. This steady increase can be attributed to the introduction of school milk and welfare schemes, to the maintenance of a daily delivery service during recent years, and, especially, to the vast advertising campaigns of the National Dairy Council.

In other traditional dairying countries, consumption has declined since 1938. In New Zealand, the level of per capita consumption has dropped from 419 pounds to 325 pounds; in Canada, from 415 pounds to 279; in Switzerland, from 531 to 353. Some of the decline in consumption of fluid milk stems from a reduction in the amount of milk utilized on farms.

Slight increases have occurred in other countries; i.e., Australia's consumption level increased from 242 to 290 pounds; that of the United States, from 263 to 273; that of the Netherlands, from 318 to 325, according to a recent study of the International Dairy League by the Commonwealth Economic Committee.

At present, more than half of the milk products consumed in the United Kingdom are imported—equal to approximately 28 billion pounds of fluid milk. However, because of existing Commonwealth and international trade commitments, it is unlikely that imports will be significantly reduced by Britain in the near future. Nevertheless, Britain expects to be able to meet any increases in demand on the home market from domestic production, and it is toward this goal that the plan of expanding the manufacture of milk products will be directed.

The Milk Marketing Board will send a technical team to Australia to study automation in the manufacture of milk products. In the past, varying manpower requirements resulting from seasonal fluctuations in milk supply have proved to be a stumbling block to stepping up output of manufactured milk products in the United Kingdom. It is hoped that the introduction of automation to the dairy manufacturing industry in the United Kingdom will eliminate or alleviate the manpower problem.

—DAVID L. SCHLECHTY
Dairy and Poultry Division, FAS

Italy Imports More Butter

Italy imported more than 36 million pounds of butter in the first half of 1965, or 8 million pounds more than in the same period of 1964. Canada shipped 9 million pounds—three times the quantity sent in the first 6 months of the preceding year. Imports from France were up 2 million pounds to 6 million. The Netherlands and Poland sent approximately 3 million pounds each. Supplies from the United States were down, amounting to 3 million pounds compared with 10 million last year.

Cheese imports dropped 6 percent to 65 million pounds. Much of this decline occurred in reduced shipments from France, which at 8 million pounds were approximately half those for January-June, 1964. Imports of 5 million pounds from Denmark and of 1 million from the United States were 1 million smaller than those of a year ago. Larger quantities were received from several countries, notably Switzerland and West Germany, each of which shipped 14 million pounds, 2 million more than last year; Austria, 10 million (9 million); Finland, 5 million (3 million); and the Netherlands, 3 million (1 million).

Exports of cheese totaled 22 million pounds in both years. Principal markets in the first half of 1965 were the United States, 7 million; France, 5 million; and Switzerland, 4 million.

Spanish Cotton Import Quota

The Spanish Government recently enacted Decree Law 3756, which established a 50,000-bale duty-free cotton import quota. Import licenses against this quota will be issued only against exports of an equivalent quantity of Spanish low grades.

In addition, the drawback certificate program is continued. Under this program, textile exporters earn negotiable certificates which entitle the holders to import, free of duty, a quantity of cotton proportionate to the amount of cotton contained in textiles they export. In recent years this has been equivalent to between 30,000 and 40,000 bales annually.

The Spanish Government also recently increased the duty on nonquota and noncertificate cotton imports to 18 percent of the invoice value plus an additional specific duty of 9.20 pesetas per kilogram (around 7 U.S. cents per lb.). Until December 23, 1965, the duty on cotton imports was a flat 18 percent of the invoice value. There are indications that imports subject to the new duty might amount to around 100,000 bales in 1965-66. This would be in addition to the 50,000 bales duty free and to the amount imported against drawback certificates.

The Spanish textile industry is currently having difficulties. The duty increase may force yarn and textile prices even higher. In that event, Spain's competitive position in the textile export market may be jeopardized to a degree. Spain consumed about 500,000 bales in 1964-65, compared with 550,000 in 1963-64. Consumption in 1965-66 is presently forecast at slightly above last season's level.

Cotton production in 1965-66 is placed at 365,000 bales (480 lb. net), slightly above last season's 355,000-bale crop. Harvested area in 1965-66 is estimated at 465,000 acres. Hot, dry weather last summer reduced yields in rain-grown areas, and persistent rains in September and early November reportedly hampered harvest operations. Although the 1965-66 crop is as large as last season's, grade-wise it will not be up to standard. Reportedly, higher yields in irrigated regions largely offset reduced outturn in rain-grown areas.

Higher Pakistan Cotton Export Rate

Exports of cotton from Pakistan in the August-December period of 1965-66 amounted to 212,000 bales (480 lb. net) compared with 146,000 bales in the same period of 1964-65. Exports to principal destinations during the period, in thousands of bales with comparable 1964-65 figures in parentheses, were Mainland China 61 (0); Hong Kong 49 (55); Japan 46 (44); Indonesia 19 (0); Poland 11 (0); United Kingdom 8 (9); France 6 (6); and USSR 3 (4).

In the 1964-65 season, Mainland China did not enter the Karachi market until February. From February to August 1965, Mainland China imported 118,000 bales or around 25 percent of total 1964-65 Pakistani cotton exports.

The 1965-66 cotton harvest in Pakistan is now estimated at around 1.9 million bales, about the same as in 1963-64, but 150,000 above last season's level.

Uruguay's Flaxseed Production Down

The first official estimate of area seeded to flaxseed in Uruguay during July-October 1965 is 251,054 acres, 10 percent less than seedings in 1964. Weather during seeding and the early part of the growing season was generally favorable, except for some periods of excessive rains which caused plant losses from erosion. The crop, harvested during December-February, is expected to yield about 2.2 million bushels of flaxseed, about one-fifth less than the 2.8 million bushels produced in 1964-65.

Uruguay exported no flaxseed in 1964 and 1965. Linseed oil exports in 1965 were 18,742 short tons compared with 9,814 tons a year earlier.

Tax rates imposed by the government on exports of flaxseed and linseed oil continue to make it advantageous for exporters to crush the seed and export oil.

New Oil Mill Planned for Nigeria

Nigeria, the world's major exporter of palm kernels, will erect a new oil mill at Port Harcourt under the direction of the Eastern Nigeria Marketing Board. As a new industry in Eastern Nigeria, the plant, which is expected to begin processing palm kernels next year, will help the country to earn more foreign exchange by export of the finished products.

The capacity of the new plant together with the mill in Western Nigeria near Lagos may in the next few years facilitate the processing of most of that country's palm kernels. Exports of kernels in the 1960-64 period averaged about 396,400 long tons annually.

The new plant reportedly will be one of the largest palm kernel processing plants in the world and will employ about 250 people. The facility will be equipped with eight continuous screw press units which, together with supplementary electric equipment, will be supplied by a British firm.

Indian Flaxseed Production Seen As Small

India's 1965-66 flaxseed crop to be harvested during February-April is forecast by the trade at only about 14 million bushels, possibly the smallest in recent history. Failure of rains in September-October 1965 adversely affected the sowings, from September through November.

The final official estimate places production in 1964-65 at a record 18.3 million bushels compared with 14.9 million a year earlier.

While flaxseed acreage in India has risen quite rapidly in recent years, the average yield per acre during the first 4 years of the current Five Year Plan, 1961-62 through 1965-66, was only 3.5 bushels. The small crop in prospect this year is expected to reflect an extremely small per-unit yield, which will reduce still further the average for the present Plan. Low yields in general for all Indian oilseed crops are attributed to uncertain weather and dependence of farmers on rains because of limited irrigation facilities.

The sharp decline in exports of linseed oil and cake during recent years continued through 1965. During January-September, oil exports were only 476 tons, in contrast with over 8,000 tons in 1960, while exports of cake were 1,023 tons against almost 46,000 tons in 1960.

Export prospects for 1966 are dim, not only because of the small crop in view, but also because of the large disparity between domestic and overseas prices. The rising trend of prices has resulted from increasing domestic demand and speculative operations in linseed and castorbeans, two of the five major oilseeds in the country in which futures trading is at present permitted by the government.

Smaller Portuguese Dried Fig Pack

The 1965-66 Portuguese dried fig pack in the Algarve Province has been estimated at 10,300 short tons—only slightly below the previous year's production, but 1,000 tons less than the 1959-63 average. Edible production is figured to account for approximately 9,200 tons.

Exports may total 7,500 tons, somewhat exceeding the 1964-65 amount of 7,200 tons. Paste exports are estimated at 5,500 tons and those of whole figs at 1,500 tons, compared with last year's figures of 5,200 and 1,400 tons.

Prices paid to producers for dried edible figs are reported to have averaged 5.5 U.S. cents per pound during the current season. Portuguese sources originally quoted export orders at 11.5 cents c.i.f. New York; however, prices are reported to have dropped slightly.

On October 21, 1965, the Secretary of State for Commerce established at 3.1 cents per pound the price paid to producers for industrial figs delivered to distilleries. A price of 2.9 cents had prevailed since 1960. Figs classified as industrial, if not fed to livestock or exported, can only be sold to the distillery industry.

PORTUGAL'S DRIED FIG SUPPLY AND DISTRIBUTION

Item	1964-65	1965-66
Supply:[1]	*Short tons*	*Short tons*
Beginning stocks (Sept. 1)	100	500
Production	10,500	10,300
Total supply	10,600	10,800
Distribution[2]		
Exports:		
Edible whole	1,400	1,500
Edible paste	5,200	5,500
Industrial	600	500
Total exports	7,200	7,500
Domestic consumption:		
Edible whole	2,300	2,300
Edible paste	—	—
Industrial	600	600
Total consumption	2,900	2,900
Ending stocks	500	400
Total distribution	10,600	10,800

[1]Estimated for 1965-66. [2]Forecast for 1965-66.

PORTUGAL'S EXPORTS OF DRIED FIGS AND FIG PASTE

Item and destination	1961	1962	1963	1964
	Short tons	*Short tons*	*Short tons*	*Short tons*
Dried whole figs:				
Overseas Provinces	151	183	187	239
Belgium-Luxembourg	250	235	363	231
Netherlands	454	456	468	337
Austria	—	882	43	250
Canada	212	288	282	249
United Kingdom	163	168	149	78
United States	43	39	44	40
Others	228	448	326	219
Total	1,501	2,739	1,862	1,643
Fig paste:				
United States	3,214	1,793	3,761	6,681
Germany	187	176	181	195
Others	192	218	76	83
Total	3,593	2,187	4,018	6,959
Grand total	5,094	4,926	5,880	8,602

Turkish Dried Fig Pack Revised

More recent estimates now place Turkey's 1965-66 dried fig pack at 49,000 tons, compared with an earlier estimate of 55,000 tons. Production in 1964-65 amounted to 41,000 tons, while the 1959-63 average was 48,600 tons. The reduced 1965 harvest is the result of cool weather at the time of harvest. Some sources believe that *horda* figs (substandard grades, suitable only for industrial use) comprise 15-20 percent of the pack.

Previous export forecasts of the current pack have also been revised downward to 36,000 tons. If these statistics materialize, shipments of the 1965-66 crop would be 5,500 tons above those of the previous season, but 1,300 tons below the 1959-63 average.

Some Turkish sources believe that fig paste exports to the United States during 1965-66 will be even smaller than in 1964-65, when they amounted to only 1,754 tons. Reportedly, U.S. orders for paste continue to be received, but Turkish exporters are still waiting for the results of Food and Drug inspection of earlier shipments. In addition, some exporters are complaining that greater insect infestation resulting from cool weather has increased the risk of shipping paste to the United States.

TURKEY'S DRIED FIG SUPPLY AND DISTRIBUTION

Item	1964-65[1]	1965-66
Supply:	*Short tons*	*Short tons*
Beginning stocks (Sept. 1)	—	—
Production	41,000	49,000
Total supply[2]	41,000	49,000
Distribution:		
Exports	30,500	36,000
Domestic disappearance	10,500	13,000
Ending stocks (Aug. 31)	—	—
Total distribution[3]	41,000	49,000

[1]Revised. [2]Estimate for 1965-66. [3]Forecast for 1965-66.

Plans for Greek Sugarbeet Acreage

A conference headed by Greece's Minister of Agriculture on January 6, 1966, passed a new plan regarding this year's sugarbeet crop.

The area to be cultivated for sugarbeets for all three sugar refineries during 1966 has been set at 37,065 acres. The production of beets from the above area is anticipated to be 700,000 metric tons—about the same as last year's. This will permit each plant to operate for about 110 days.

Average yields of sugarbeets are expected to increase slightly this year, since a larger percent of the sugarbeet area will be under irrigation. It is estimated that 1966 sugar production will be close to 90,000 metric tons, compared with about 95,000 metric tons produced during the 1965 milling season. Ideal fall weather conditions in 1965 permitted utilization of practically all beets grown, covering about 70 percent of Greece's sugar requirements.

Iran's Kenaf Output Down in 1965

Production of kenaf in Iran in 1965 is estimated at 4,000 metric tons, or 500 tons less than output in each of the preceding 2 years. The decrease in output was due mainly to a decline in the area harvested—from 11,367 acres in 1964 to 10,131 acres last year. Many farmers switched to more profitable crops, such as rice and tobacco.

The government plans to increase kenaf production by providing farmers with various forms of assistance, including better equipment. Iran needs about 10,000 tons of raw material a year to meet increasing gunny-bag consumption.

Raw jute imports from March 21, 1964, to March 20, 1965, totaled 2,303 metric tons, as compared to no imports for the preceding 12-month period. Iran recently placed an order for 3,300 tons of raw jute from Pakistan and Thailand to meet the requirements of the Shahi jute factories for the current year.

In general, Iran's plans to increase domestic production of kenaf are similar to those of many developing countries that are trying to reduce their expenditures on imports. World production of kenaf and other soft fibers is increasing faster than output of true jute and contributes significantly to world availabilities of bagging fibers.

CORRECTION: *Foreign Agriculture,* January 17 issue, page 12, article entitled "Soviet Union Large Honey Producer," paragraph 3, line 3: For "tons," read "pounds."

Ontario's Flue-cured Sales Continue Brisk

Flue-cured auction sales in Ontario, Canada, continued briskly following reopening of the markets after the holiday season.

Sales for the week ending January 7, 1966, amounted to 12.4 million pounds, at an average price of 63.8 Canadian cents per pound. This price compares with 63.5 cents for the week ending December 17, 1965, and 64.0 cents for the week ending December 10, 1965.

Cumulative sales through January 7, 1966, of the 1965 Ontario crop totaled 73.2 million pounds, at an average price of 63.3 Canadian cents per pound. Almost 45 percent has been sold from the current crop estimate of 162.8 million pounds.

Swiss Cigarette Output Continues To Rise

Cigarette output in Switzerland during the first 9 months of 1965 totaled 13,778 million pieces—up almost 20 percent from the 11,493 million of January-September 1964.

Output for the full calendar year of 1965 approximated 18.9 billion pieces, compared with 15.7 billion in 1964 and 15.3 billion in 1963.

Hungary's Cigarette Output Up

Hungary's cigarette output during January-August 1965 totaled 12,256 million pieces—up 16 percent from the 10,568 million produced during the same period in 1964. Output for the full calendar year of 1965 probably totaled between 18.5 and 19.0 billion pieces.

Analysis of French Corn Production

(Continued from page 9)

Corn produced in the Beauce area—either now or in the future—isn't going to be consumed in the area, at least until such time as French farmers are convinced it is more profitable to feed corn than to market it. Therefore, every additional bushel of corn produced in the area may displace a bushel of U.S. corn now being exported to Western Europe.

Should the French Government offer sufficient incentive, corn production all over France will be stimulated and wheat and barley production reduced. This may happen if the temptation of a huge and growing EEC market for corn proves irresistible.

On the other hand, in Mr. Maywald's view, the threat of French corn production is less than that of the substitution of EEC-produced wheat for U.S. feed grains, which may become more serious if hybrid wheat increases the already high French and Benelux wheat yields.

According to Mr. Maywald, increased French corn production could deprive the United States of a share of the rapidly increasing West European demand—a share that would be earned if comparative advantage were permitted to play its proper role.

WORLD CROPS AND MARKETS INDEX

Cotton
13 Spanish Cotton Import Quota
13 Higher Pakistan Cotton Export Rate
Dairy and Poultry Products
12 Milk Consumption Increase in the United Kingdom is Slowing
13 Italy Imports More Butter
Fats, Oilseeds, and Oils
13 Uruguay's Flaxseed Production Down
13 New Oil Mill Planned for Nigeria
14 Indian Flaxseed Production Seen as Small
Fruits, Vegetables, and Nuts
14 Smaller Portuguese Dried Fig Pack
14 Turkish Dried Fig Pack Revised
Grains, Feeds, Pulses, and Seeds
12 Weather Has Reduced Europe's 1965-66 Winter Wheat Acreage
Sugar and Tropical Products
15 Iran's Kenaf Output Down in 1965
15 Plans for Greek Sugarbeet Acreage
Tobacco
15 Ontario's Flue-cured Sales Continue Brisk
15 Swiss Cigarette Output Continues To Rise
15 Hungary's Cigarette Output Up

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

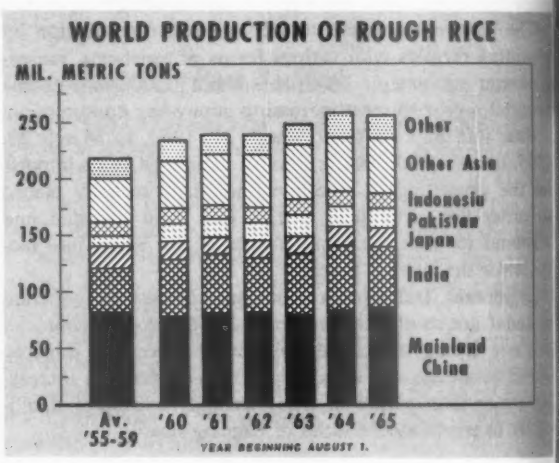
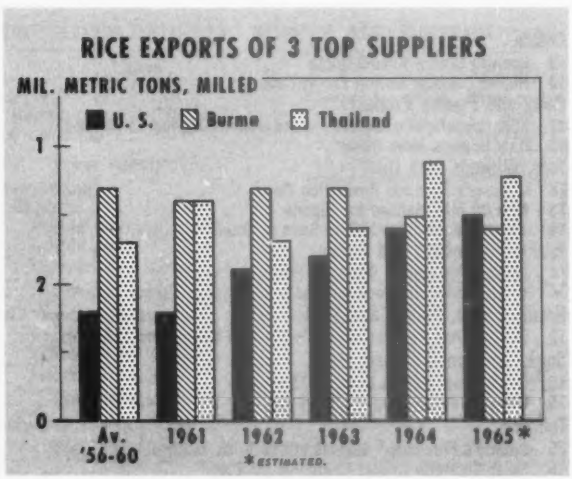
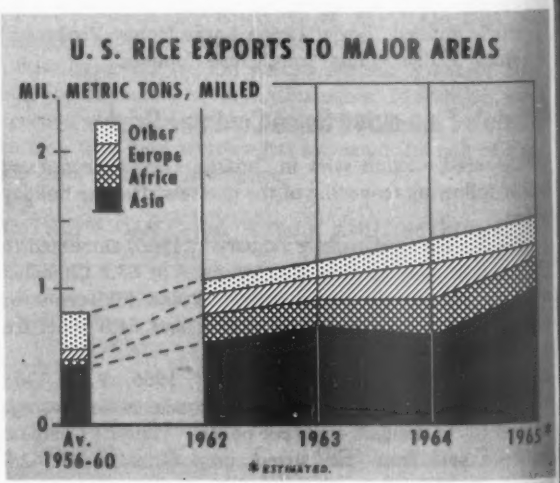
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

To change your address or stop mailing, tear off this sheet and send to Foreign Agricultural Service, U.S. Dept. of Agriculture, Rm. 5918, Washington, D.C. 20250.

A Graphic Picture of U.S. Rice in World Trade

Asia remains, as it has been throughout the ages, the world's biggest rice-producing and consuming area. World rice trade has long consisted largely of shipments from one Asian country to another; and such shipments still make up about two-thirds of the total.

But the countries that export the most rice are not the countries that produce the most, as the accompanying charts show. A prime example is the United States, one of the three top exporters and responsible for about a quarter of the rice that moves in world trade.

In the chart at right, U.S. rice production is included with "Other"; the production of the two other top suppliers, Burma and Thailand, shows only as part of "Other Asia." The rice output of these three countries is obviously not large in relation to the world total. But much of it is available for export to countries that—though growing far more rice themselves—cannot meet their immense needs.